

§ 440.17 Policy Advisory Council.

(a) Prior to the expenditure of any grant funds, a State policy advisory council shall be established by a State or by the Support Office Director if a State does not participate in the program which:

(1) Has special qualifications and sensitivity with respect to solving the problems of low-income persons, including the weatherization and energy conservation problems of these persons;

(2) Is broadly representative of organizations and agencies, including consumer groups that represent low-income persons, particularly elderly and handicapped low-income persons and low-income Native Americans, in the State or geographical area in question; and

(3) Has responsibility for advising the appropriate official or agency administering the allocation of financial assistance in the State or area with respect to the development and implementation of a weatherization assistance program.

[49 FR 3629, Jan. 27, 1984, as amended at 58 FR 12529, Mar. 4, 1993]

§ 440.18 Allowable expenditures.

(a) An average of at least 40 percent of the funds provided in a State under this part for weatherization materials, labor, and related matters included in paragraphs (c)(1) through (9) of this section shall be spent for weatherization materials, except if DOE approves a State's application to waive the 40 percent requirement under § 440.21(h).

(b) The expenditure of financial assistance provided under this part for labor, weatherization materials, and related matters included in paragraphs (c)(1) through (9) and (c)(15) of this section shall not exceed an average of \$1,600 per dwelling unit weatherized in the State, except as adjusted as follows:

(1) The \$1,600 average will be adjusted annually by DOE beginning in calendar year 1991 by increasing the limitation by an amount equal to:

(i) The limitation amount for the previous year, multiplied by

(ii) The lesser of:

(A) The percentage increase in the Consumer Price Index (all items, United States city average) for the most recent calendar year completed before the beginning of the year for which the determination is being made, or

(B) Three percent.

(2) In addition to the average per-dwelling-unit limitation applicable in a State under this section, DOE shall, upon application by a State, establish a separate average per-dwelling-unit limitation for dwelling units in such States which conform to program requirements and, in addition to any other weatherization modifications, have capital-intensive furnace or cooling efficiency modifications as defined in § 440.3 made under this part. The average per-dwelling-unit limitation applicable in a State which meets these requirements shall not exceed an amount equal to:

(i) The amount permitted for the expenditure of financial assistance for labor, weatherization materials, and related matters for dwelling units in such State in paragraphs (c) (1) through (9) and (c)(15) of this section plus

(ii) An amount determined by the State to be the average amount that is appropriate for capital-intensive furnace or cooling efficiency modifications of dwelling units of the type assisted under this part in such State and approved by DOE.

(c) Allowable expenditures under this part include only:

(1) The cost of purchase and delivery of weatherization materials;

(2) Labor costs, in accordance with § 440.19;

(3) Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work;

(4) Maintenance, operation, and insurance of vehicles used to transport weatherization materials;

(5) Maintenance of tools and equipment;

(6) Purchase or annual lease of tools, equipment, and vehicles, except that any purchase of vehicles shall be referred to DOE for prior approval in every instance;

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(7) Employment of on-site supervisory personnel;

(8) Storage of weatherization materials, tools, and equipment;

(9) The cost of incidental repairs if such repairs are necessary to make the installation of weatherization materials effective;

(10) The cost of liability insurance for weatherization projects for personal injury and for property damage;

(11) The cost of carrying out low-cost/no-cost weatherization activities in accordance with § 440.20;

(12) The cost of weatherization program financial audits as required by § 440.23(d);

(13) Allowable administrative expenses under paragraph (d) of this section; and

(14) Funds used for leveraging activities in accordance with § 440.14(b)(9)(xiv); and

(15) The cost of eliminating health and safety hazards elimination of which is necessary before, or because of, installation of weatherization materials.

(d) Not more than 10 percent of any grant made to a State may be used by the grantee and subgrantees for administrative purposes in carrying out duties under this part, except that not more than 5 percent may be used by the State for such purposes, and not less than 5 percent must be made available to subgrantees by States. A State may provide in its annual plan for recipients of grants of less than \$350,000 to use up to an additional 5 percent of such grants for administration if the State has determined that such recipient requires such additional amount to implement effectively the administrative requirements established by DOE pursuant to this part.

(e) No grant funds awarded under this part shall be used for any of the following purposes:

(1) To weatherize a dwelling unit which is designated for acquisition or clearance by a Federal, State, or local program within 12 months from the date weatherization of the dwelling unit would be scheduled to be completed; or

(2) To install or otherwise provide weatherization materials for a dwelling

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unit weatherized previously with grant funds under this part, except:

(i) As provided under § 440.20;

(ii) If such dwelling unit has been damaged by fire, flood, or act of God and repair of the damage to weatherization materials is not paid for by insurance; or

(iii) That dwelling units partially weatherized under this part or under other Federal programs during the period September 30, 1975, through September 30, 1985, may receive further financial assistance for weatherization under this part. While DOE will continue to require these homes to be reported separately, States may count these homes as completions for the purposes of compliance with the per-home expenditure limit in § 440.18. Each dwelling unit must receive a new energy audit which takes into account any previous energy conservation improvements to the dwelling.

[58 FR 12526, Mar. 4, 1993]

§ 440.19 Labor.

(a) Payments for labor costs under § 440.18(c)(2) shall consist of:

(1) Payments permitted by the Department of Labor to supplement wages paid to training participants and public service employment workers pursuant to JTPA and

(2) Payments to employ labor (particularly persons eligible for training under JTPA) or to engage a contractor (particularly a nonprofit organization or a business owned by disadvantaged individuals which performs weatherization services), provided a grantee has determined an adequate number of volunteers, training participants, and public service employment workers, assisted pursuant to JTPA, are not available to weatherize dwelling units for a subgrantee under the supervision of qualified supervisors.

[49 FR 3629, Jan. 27, 1984, as amended at 50 FR 713, Jan. 4, 1985; 58 FR 12527, Mar. 4, 1993]

§ 440.20 Low-cost/no-cost weatherization activities.

(a) An eligible dwelling unit may be weatherized without regard to the limitations contained in § 440.18 (e)(2) or § 440.21(b) from funds designated by the grantee for carrying out low-cost/no-